



## 2.2.2009 Audit Committee Meeting Minutes

**To:** Kristi Tomey, Audit Committee Chairman

**From:** Chris Compton, Secretary

**CC:** Sterling Cheatham  
Debra Mack  
Allison Collins

Bryon Dorey  
Ronald Sparks  
Margaret Haynes

**Date:** February 3, 2009

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1. Kristi Tomey, Audit Committee Chairman brought the meeting to order 2.2.09 at 12:20 pm in the Lord Spencer Compton Conference Room
2. First item for discussion the Fraud Policy, released November 1, 2008.
  - a. Fraud training is not required, but 90 city staff will be attending 3 Fraud Training sessions in Feb. 2009. Kristi Tomey asked if these sessions could be shown in a webinar or on a webcast. Future sessions would be slides and audio, but, timing was prohibitive for these first sessions.
  - b. Attendee follow-up after the session will include signing a form stating that they understand the Fraud Policy
3. Second item for discussion was the recently released Procurement Card Audit Report
  - a. The City Departments need to be more accountable for their Procurement Cards. There are 124 cards in all of the City Departments.
  - b. A recent test of 50 card transactions found very few transactions that were for purchases outside of established City Contracts, i.e. Office Depot or at a gas station when their City gas card did not work properly. All City contracts are listed on the Intranet.
  - c. A small portion of these transactions also did not have proper documentation, i.e., an original receipt, which were then approved by their supervisor.
  - d. The future Policy will be modified to state that there will be NO reimbursement for any purchases without proper documentation. This will also be updated in the City Travel Policy for reimbursement. If the original

has been misplaced, there are plenty of ways to get the original paperwork needed for the reimbursement. (Intranet emails, etc.)

- e. The current verbiage in the Procurement Card Policy will be modified to simplify steps and make the Policy more accessible and easier to use. The new Policy and any future updates will be communicated to staff. The Committee also suggested that staff sign a form for their file that states "I understand these policies" for this and any subsequent changes to the Procurement Policy. All new hires who receive a Procurement Card will sign a form. Current card holders would sign a form when they get the refreshers for policy updates.
  - f. Ron Sparks motioned to accept the Procurement Card Policy
  - g. Margaret Haynes seconded the motion
  - h. The motion passed unanimously
4. Third item for discussion was the recently released 6.30.2008 CAFR from the Finance Department
- a. Mr. Craft from Lanier, Walley, Craft & Company reported that the City CAFR, marks the 25<sup>th</sup> year that the City's financials have received the highest marks. Debra Mack and her team should be congratulated on their hard work in creating this report.
  - b. Margaret Haynes motioned to accept the 6.30.2008 CAFR
  - c. Ron Sparks seconded the motion
  - d. The motion passed unanimously
5. Fourth item for discussion was the Red Flag Rules – Identity Theft Act. This agency requirement has been extended six months to May 1, 2009. Follows up will begin around April 1, 2009 to ensure the City of Wilmington is in proper compliance.
- a. The Finance Dept. has been working with IT to protect staff Social Security Numbers to be in compliance with this act.
6. Other items:
- a. Chris Compton will be taking the minutes for the Audit Committee, which will be available in Allison's office.
  - b. Thank you to Kristi Tomey for her willingness to step in as the Chairman of the Audit Committee, as Jason Thompson has left City Council to become a County Commissioner.
7. The meeting was adjourned at 12:50 pm by Kristi Tomey